



Weekly Business Newsletter

17th to 23rd July, 2017

Business News

'Paperless trade' agreement signing in August

The new 'Framework Agreement on Facilitation of Cross-Border Paperless Trade in Asia and the Pacific' will be opened for signature at the United Nations Regional Commission for Asia and the Pacific in Bangkok on August 29. Once ratified, the treaty already adopted by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), will be the first regional agreement of its kind to focus on implementing digital trade facilitation measures to specifically achieve paperless trade across borders. It is expected to provide countries in Asia and the Pacific with a new tool and "digital" complement for better implementation of the WTO Trade Facilitation Agreement (TFA).

SBP maintains key interest rate

The State Bank of Pakistan (SBP) kept the policy rate unchanged at 5.75 percent on Saturday for another couple of months, citing less than targeted inflation, higher domestic demand and the expectation of the overall balance of payments (BoP) staying at a manageable level in 2017-18. Announcing the monetary policy, SBP Governor Tariq Bajwa said the current account deficit poses the biggest challenge to the economy.

CPEC should be 'smuggling-free corridor'

The China-Pakistan Economic Corridor must be made a 'smuggling-free corridor' and must not fall to illegal imports and under-invoicing as observed under the Afghan Transit Trade route, Rawalpindi Chamber of Commerce and Industry (RCCI) President Raja Amer Iqbal said on Thursday. He was speaking at a conference on the CPEC project organized by the RCCI. The event had representation from chambers of commerce from all over the country as well as traders community.

FPCCI demands implementation of FTA with Iran

Office bearers of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) on Friday called for the implementation of a free trade agreement (FTA) with Iran on a priority basis. Noting that the second phase of negotiations concluded last week, they said the FTA's implementation can increase the bilateral trade volume from \$359 million to \$5 billion by 2021. Pakistan and Iran signed a preferential trade agreement in 2004, which came into effect in 2006. Pakistan's bilateral trade with Iran increased from \$622m in 2006 to \$1.2bn in 2009, a jump of 194 percent.

Pakistan unlikely to benefit from Emerging Asia Fund

Pakistan is unlikely to get any benefit from the 'IFC Emerging Asia Fund (the Fund)' being set up by the Asian Infrastructure Investment Bank (AIIB) to provide investors with the opportunity to invest in the fund's proprietary pipeline of investments in Emerging Asia. In the document, which will be presented to the AIIB executive board in September to approve establishment of the Fund, Pakistan is not among the key target markets. China and India have been considered as 'established markets', while Indonesia and the Philippines as 'developing markets' and Bangladesh, Cambodia, Myanmar, Sri Lanka and Vietnam mentioned in the 'frontier markets' category.

Chinese investors show interest in Agri sector

Chinese entrepreneurs on Monday showed interest to invest in Pakistan's agriculture sector to produce silk worms, mulberries and many other agro products. A delegation of Chinese entrepreneurs led by Mr. Lee of China's commerce ministry visited Islamabad Chamber of Commerce and Industry (ICCI).



International News

Deutsche Bank, JPMorgan to pay \$148m to end Libor cases

Deutsche Bank AG and JPMorgan Chase & Co have agreed to pay a combined \$148 million to end private US antitrust litigation claiming they conspired with other banks to manipulate the yen Libor and Euroyen Tibor benchmark interest rates. The preliminary settlements, totaling \$77 million for Deutsche Bank and \$71m for JPMorgan, were detailed in filings late Friday in the US District Court in Manhattan, and require a judge's approval. They followed similar settlements last year with Citigroup Inc and HSBC Holdings Plc totaling \$23m and \$35m, respectively.

Toyota eyes mass electric vehicles output in China by 2019

Toyota Motor Corp is likely to begin mass production of electric vehicles (EVs) in China as early as 2019, the Asahi daily reported on Saturday. The model will be based on the C-HR sport utility vehicle and manufactured for Chinese market only, the report said without citing sources. The pace of production is to be decided after taking into account the regulations and the subsidies, the report said, adding that annual output could start with more than several thousand units. Toyota spokesman Ryo Sakai said: "We are going to introduce EVs in China with a few years. However, we don't talk about any future product plans."

Qatar LNG expansion plan to hurt US exports

A plan by top global liquefied natural gas (LNG) exporter Qatar to ramp up output will stall the expected growth of US LNG exports, the head of Australia's Woodside Petroleum, operator of the country's biggest LNG plant, said. Qatar surprised rivals this month when it lifted a self-imposed ban on development of the North Field, the world's biggest natural gas field, saying it would boost LNG output by 30 percent to 100 million tons a year in five to seven years. That put it on course to wrest back the title of the world's top LNG exporter from Australia, which is set to overtake Qatar in the next two years.

Morgan Stanley 2Q profit beats forecasts, helped by trading

Investment bank Morgan Stanley said its second-quarter profits rose 11 percent from a year ago, and the bank's trading desks outmaneuvered Morgan's major rivals in the last quarter's tough market. Morgan Stanley said it earned \$1.76 billion in the quarter ending June 30, or 87 cents per share, compared with \$1.58bn, or 75 cents per share, in the same period a year earlier. After Morgan Stanley's major competitors Goldman Sachs, JPMorgan Chase, Citigroup and Bank of America all reported declines in trading last quarter, many expected the same from Morgan Stanley.

Germany ready to deepen Eurozone integration

The economic upswing in Europe is gaining momentum and Germany is ready to deepen Eurozone integration as long as risks and liabilities arising from political decisions remain linked, German Finance Minister Wolfgang Schaeuble has told lawmakers. "Despite or even because of Brexit, European integration remains one of the best ideas that Europeans had in the 20th century," Schaeuble said in a letter, seen by Reuters on Tuesday and sent to lawmakers from Chancellor Angela Merkel's conservatives and the co-governing Social Democrats (SPD).

IMF advises Sri Lanka to raise rates, issues delayed loan

The International Monetary Fund (IMF) announced Tuesday it was lending more than \$167 million to Sri Lanka after delaying the loan for months, but warned the island must raise interest rates to reign in credit. The government of President Maithripala Sirisena, which came to power in February 2015, secured the bailout in June last year following a balance of payments crisis. The third installment of the \$1.5 billion loan a sum of \$167.2m had been withheld because Sri Lanka failed to meet its bailout conditions.

Up-Coming Events Pakistan

Europe Pakistan Business Summit 2017

Date: 12th September, 2017

Venue: Lahore

2nd Lahore International Conference on Culture 2017

Date: 27th September, 2017

Venue: Faletti's Hotel, Lahore,

Up-Coming Events UAE

Corporate Governance, Financial Risk Management and Investor Relations

Date: 04th September, 2017

Venue: Burj Khalifa, Dubai

International Conference on Business Management (ICBM-2017)

Date: 09th September, 2017

Venue: Building 4, Level 1, Bay Square, Business Bay, Dubai



PAKISTAN STOCK EXCHANGE

as on 21st July, 2017

Company Name	Closing Value	Volume
Adamjee Insurance	68.97	265,000
EFU General Insurance	152.51	200
IGI Insurance	324.39	10,300
Jubilee Gen Ins.	93.00	4,500
Pak Reinsurance	49.00	4,000



CURRENCY EXCHANGE RATES

as on 24th July, 2017

Currency	Current Week	Last Week
U.S.Dollar	107.30	107.00
Euro	125.20	124.90
UK Pound Sterling	139.50	138.50
UAE Dirham	29.35	29.15



WEATHER FORECAST

as on 24th July, 2017

Karachi	31/28 ^o C	Mostly Cloudy	
Islamabad	33/25 ^o C	Mostly Cloudy	
Lahore	33/27 ^o C	Partly Cloudy	